

Questions and Answers on the Annual General Meeting 2018 and its Agenda

How much is the Board proposing to be paid as dividend?

The Board proposes to the Annual General Meeting that from the retained earnings a dividend of EUR 0.19 per share be paid out on the shares of the Company. The proposed dividend is in line with the Company's dividend policy and it exceeds the minority dividend as set out in the Finnish Limited Liability Companies Act.

The ex-dividend date would be on May 31, 2018. The dividend record date would be on June 1, 2018 and the dividend is expected to be paid on or about June 13, 2018. The actual dividend pay date outside Finland will be determined by the practices of the intermediary banks transferring the dividend payments. Information on taxation of dividends can be found [here](#).

What does discharging of the Chair, the members of the Board of Directors and the President and CEO from liability mean?

This is one of the standard matters voted on at Nokia's shareholders' meetings, which according to mandatory provisions of Finnish law must be discussed and resolved at each Annual General Meeting for the preceding fiscal year. In principle, the resolution provides a release from liability towards the Company for the Chair and the members of the Board and the President for matters occurred during the financial year 2017. This release from liability will only cover matters that are within the knowledge of Nokia and the shareholders when the resolution is adopted.

How does the proposal on the remuneration to the members of the Board of Directors compare to remuneration paid in previous years?

The Board's Corporate Governance and Nomination Committee proposes to the Annual General Meeting that the annual fee payable to the Board members elected at the same meeting for a term until the close of the Annual General Meeting in 2019 will remain at current level. However, The Board has informed the Corporate Governance and Nomination Committee that it is planning to establish a Technology Committee following the Annual General Meeting. Accordingly, the Corporate Governance and Nomination Committee proposes to the Annual General Meeting that an additional annual fee is payable to the Chair of the Technology Committee subject to the Board establishing the Committee.

In addition, the Corporate Governance and Nomination Committee proposes that a meeting fee for Board and Committee meetings be paid to all the other Board members except the Chair of the Board based on travel required between the Board member's home location and the location of a meeting. The meeting fee would be paid for a maximum of seven meetings per term. Additionally, the Committee proposes that travel and accommodation expenses as well as other costs directly related to Board and Committee work would be compensated to the members of the Board of Directors.

In determining the proposed Board remuneration, the objective of the Board's Corporate Governance and Nomination Committee is for Nokia to be able to compete for the top-of-the-class Board competence in order to maximize the value creation for the shareholders. Therefore, it is the practice of the Board's Corporate Governance and Nomination Committee to review and compare the total remuneration levels and their criteria paid in other global companies with net sales, geographical coverage and complexity of business comparable to that of Nokia's.

The Corporate Governance and Nomination Committee proposes that, in line with the Company's Corporate Governance Guidelines, approximately 40 per cent of the annual fee be paid in Nokia shares either purchased from the market or alternatively by using treasury shares held by the Company. The directors shall retain until the end of their directorship such number of shares that corresponds to the number of shares they have received as Board remuneration during their first three years of service in the Board (the net amount received after deducting those shares needed to offset any costs relating to the acquisition of the shares, including taxes). The meeting fee and above-mentioned costs directly related to Board and Committee work would be paid in cash.

Does the Corporate Governance and Nomination Committee propose a change in the Board composition?

The Board's Corporate Governance and Nomination Committee proposes to the Annual General Meeting that the number of Board members be ten (10) and that the following current Nokia Board members be re-elected as members of the Nokia Board of Directors for a term ending at the Annual General Meeting in 2019: Bruce Brown, Jeanette Horan, Louis R. Hughes, Edward Kozel, Elizabeth Nelson, Olivier Piou, Risto Siilasmaa, Carla Smits-Nusteling and Kari Stadigh.

In addition, the Committee proposes that Sari Baldauf, who is a non-executive director, be elected as new member of the Board of Directors for the same term.

In the assembly meeting of the new Board of Directors after the Annual General Meeting on May 30, 2018, the Corporate Governance and Nomination Committee will propose that Risto Siilasmaa be elected as Chair of the Board and Olivier Piou as Vice Chair of the Board, subject to their election to the Board of Directors.

More information on all the candidates is available in the Committee's proposal on Nokia's website. Learn more about [the Proposal by the Corporate Governance and Nomination Committee for Composition of the Board of Directors](#).

What does the proposal regarding auditor remuneration mean?

According to Nokia's Articles of Association, the Annual General Meeting shall resolve on the remuneration to be paid to the Company's auditor. The Board's Audit Committee proposes that the auditor, to be elected by the Annual General Meeting, be reimbursed based on the auditor's invoice to the Company, and in accordance with the purchase policy approved by the Audit Committee. The Committee oversees the qualifications and independence of the Company's auditor. This includes, for instance, the adoption of the pre-approval policy for the purchase of audit and non-audit services from the auditor and overseeing compliance with such policy.

Information on the fees paid to the auditor in 2017 broken down by audit and non-audit fees are available in the Nokia in 2017 and Nokia Form 20-F.

What does the proposal of the Audit Committee mean in respect of the election of the Auditor?

According to Nokia's Articles of Association, shareholders of the Company elect the auditor at the Annual General Meeting for one fiscal year at a time. The Board's Audit Committee proposes to the shareholders the re-election of the Company's current auditor PricewaterhouseCoopers Oy for the fiscal year 2018 based on its evaluation of the auditor's performance and independence during fiscal year 2017. If PricewaterhouseCoopers Oy is re-elected, it has informed the Audit Committee that the Auditor-in-charge will be Pasi Karppinen.

Why does the Board propose an authorization to repurchase own shares?

As a Finnish company Nokia may not, pursuant to mandatory provisions of Finnish law, repurchase Nokia shares without the shareholders' approval, or the shareholders' authorization to the Board for these actions.

The Nokia Board proposes that the Annual General Meeting authorizes the Board to resolve to repurchase a maximum of 550 million Nokia shares, which corresponds to less than 10 per cent of Nokia shares outstanding. Under the proposed authorization the shares may be repurchased in order to optimize the capital structure of the Company and are expected to be cancelled. In addition, shares may be repurchased in order to meet obligations arising from debt financial instruments that are exchangeable into equity instruments, to settle equity-based incentive plans for employees of Nokia or of its associated companies, or to be transferred for other purposes such as financing or carrying out acquisitions.

The shares can be repurchased on equal terms or in another proportion than that of the shares held by current shareholders (directed repurchase) if, from the Company's perspective, weighty financial grounds exist.

It is proposed that the authorization be effective until November 30, 2019 and terminate the authorization for repurchasing the Company's shares granted by the Annual General Meeting on May 23, 2017.

Information on repurchase of own shares is available on [Share Repurchase FAQ for investors](#) on Nokia's website.

What does the proposed authorization to issue shares and special rights entitling to shares mean?

Based on the authorization, the Board could issue shares through issuance of shares or special rights entitling to shares. Shares and special rights could be issued by deviating from the shareholders' pre-emptive right. The authorization could be used to develop the Company's capital structure, diversify the Company's shareholder base, finance or carry out acquisitions or other arrangements, settle the Company's equity-based incentive plans, or for other purposes resolved by the Board. In total, the Board could issue a maximum of 550 million shares under this authorization.

It is proposed that the authorization be effective until November 30, 2019 and terminate the authorization for issuance of shares and special rights entitling to shares resolved at the Annual General Meeting on May 23, 2017. The authorization does not terminate the authorization by the Extraordinary General Meeting held on December 2, 2015 granted to the Board for issuance of shares in order to implement the combination of Nokia and Alcatel Lucent.

How do I vote in advance?

Shareholders may attend the Annual General Meeting also by voting in advance in the following manner:

A shareholder whose shares are registered on his/her Finnish book entry account may attend the Annual General Meeting also by voting in advance on certain items on the agenda through the Company's website from March 28, 2018 to May 23, 2018 at 4.00 p.m. (Finnish time). The personal Finnish book-entry account number of the shareholder is needed for identification when voting in advance. For the purpose of identification also another account of the shareholder than the one in which the shareholder's Nokia shares are, may be used. The conditions and other instructions relating to the electronic advance voting may be found on the Company's website.

Nominee registered shareholders i.e., shareholders who are holding their shares under the name of a broker, custodian bank or other nominee ("Custodian"), need to follow the instructions provided by their Custodian. Please contact your Custodian for further instructions regarding registration, participation, proxies and voting well before May 23, 2018. Nominee registered shareholders can only register through the Custodian, not through the Company.

Citibank, N.A. ("Citibank"), as the Depository Bank of Nokia, sends the proxy material on the week beginning April 2, 2018 to the registered ADR holders. Those ADR holders, who hold their ADRs through a bank, broker or custodian, will receive the proxy material through their own bank, broker or custodian. ADR holders are required to have provided instructions to Citibank by May 15, 2018 at 5:00 pm (New York time) in order to vote with their ADRs.

If you are a registered ADR holder and have not received the proxy material, you should contact Citibank at 1-877-NOKIA-ADR (+1 877 665 4223). If your ADRs are held through a bank, broker or custodian, please contact your bank, broker or custodian directly

How does voting in advance affect shareholder's rights in the Annual General Meeting?

A shareholder voting in advance may not use his/her right under the Finnish Limited Liability Companies Act to request information or a vote at the Annual General Meeting and if the proposal has changed after the beginning of the advance voting period, such shareholder's ability to vote on the proposals may be restricted, unless the shareholder will be present in person or by proxy at the Annual General Meeting.

Is it possible to make changes to votes cast in advance?

A shareholder whose shares are registered on his/her Finnish book entry account may change the votes cast in advance through the Company's website until May 23, 2018 at 4:00 p.m. (Finnish time). A shareholder may also make changes to his/her votes at the meeting venue by contacting the information desk. Such changes are advised to be made before the beginning of the Meeting.

Nominee registered shareholders and holders of ADRs should follow the instructions provide by their broker, custodian bank

or other nominee. Registered ADR holders should follow the instructions provided by Citibank, N.A., the Depositary Bank of Nokia.

Who has the right to participate in the Annual General meeting 2018 and what is the last day to buy shares if I want the right to attend and vote in the Meeting?

Each shareholder, who is registered on May 18, 2018 in the Register of Shareholders of the Company, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her Finnish book-entry account, is automatically registered in the Register of Shareholders of the Company. A shareholder, who wishes to participate in the Annual General Meeting, is also required to register for the Meeting by giving prior notice of attendance no later than on May 23, 2018 at 4:00 p.m. (Finnish time) by which time the registration needs to be received by the Company. If a shareholder wishes to attend and vote in the Annual General Meeting 2018, in practice he/she must purchase the company's shares two banking days before the record date in order to have the shares registered in the Register of the Shareholders of the Company on the record date. This year the record date is May 18, 2018 and accordingly the last day to purchase the shares is May 16, 2018.

If you are an ADR holder see specific dates applicable to you under the section [ADR holders](#).

How can I obtain the proposals regarding the AGM agenda and resolutions to be made?

The proposals by the Board of Directors and its Committees are available in their entirety on this Annual General Meeting website under [Proposals to the Annual General Meeting](#) and they are described in the [Notice of the Annual General Meeting](#). The proposals by the Board are also available at the Annual General Meeting.

The Company will issue a release on the resolutions of the Annual General Meeting and disclose the resolutions on its website. The minutes of the meeting will be available for shareholders on the company's website as from June 13, 2018 at the latest. Copies of the minutes will be sent to shareholders upon request.

How are the dividends taxed if I am a nominee registered shareholder or an ADR holder?

Nokia deducts withholding tax on dividends in accordance with mandatory Finnish tax regulations. The general withholding rate is 30%.

Non-residents with a limited tax liability in Finland can benefit from a full or partial exemption of withholding tax based on the relevant tax treaty between Finland and the country of tax residency of the recipient. However, an exemption is subject to verifying your tax residency to your broker, custodian bank or other nominee ("Custodian") well in advance of the dividend record date of June 1, 2018.

Accordingly, the holder of nominee registered shares or ADRs shall declare and verify the country of residence to its Custodian who should provide these details with appropriate instructions on taxation to the Finnish sub-custodian. Nokia is obligated to follow applicable tax regulations and pays net dividends to its shareholders who reside outside of Finland according to the general 30% withholding rate, unless the Finnish sub-custodian provides the company with other applicable withholding rate based on the shareholder verifying his/her tax residency as required.

Should the tax be withheld incorrectly the amount can be corrected either by:

- a) contacting your Custodian and verifying the tax residency through the Custodian. If this is done before the end of the year in which the dividend was paid, you will receive tax refund as soon as practicable; or
- b) personally claiming refund of the tax withheld from the Finnish tax authority. However, this can only be done by contacting the Finnish tax authority directly and only after the end of the fiscal year in which the dividend was paid.

Note that Nokia cannot process tax information of individual shareholders and no certificates of residency should be delivered to Nokia.

For more instructions on tax refunds, please refer to the website of the Finnish tax authorities at

<https://www.vero.fi/en/individuals/>.